



## *International Market Insight* **Protecting Trademarks, Designs and Patents in the European Union**

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### **Introduction**

1. U.S. patents and trademarks do not provide industrial property (IP) protection outside the United States territories because IP rights are territorial. Exporters targeting IP rich products and services at the European Union (EU) market therefore need to secure their IP locally. How do companies register trademarks in the EU? What about filing patents? This report addresses both those questions with a focus on pan-European solutions. It closes with an overview of a new EU wide instrument for protecting designs: the Registered Community Design. The report's coverage is broad and readers are encouraged to refer to the web links at the end of the report for more detail on specific issues.
2. A **trademark** is any sign, including personal names, letters, numerals, figurative elements or combinations of colors, which can distinguish a business's goods and services from those of other businesses. It allows the rights holder to prevent others from using the mark, or something similar that could confuse customers. The right conferred by a **patent** is the right to exclude others from making, using, selling, offering for sale or importing the claimed invention within the territory of the issued patent. In the EU, **designs** protect the outward appearance of a product, which can include three-dimensional shapes as well as patterns, lines and color.

### **Protecting trademarks in the EU**

3. Trademarks in the EU have to be registered to be valid. U.S. companies can file trademark applications in individual EU countries or they can opt to file for a Community Trademark (CTM) that provides cover in all Member States. Later this year US companies will also be able to make an international registration through the Madrid Protocol, which the U.S. agreed to join in the fall of 2002 (paragraph 8). All EU Member States, although not yet the Community itself, are Members of the Madrid Protocol.

### **The Community Trademark (CTM)**

4. The Community Trademark (CTM) is a cost-effective solution for U.S. exporters looking to protect their mark across the EU. A single application, through the Office for Harmonisation in the Internal Market (OHIM) <sup>1</sup> or via national offices, provides EU wide protection for ten years (renewable indefinitely, in ten year instalments) at a cost of just over 2000 euro. U.S based businesses can apply for a CTM but must be represented by

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<sup>1</sup> OHIM is an EU agency that manages the Community Trademark and the Registered Community Design. It is based in Alicante, Spain.

an *approved agent* or *legal practitioner*<sup>2</sup> in all proceedings with OHIM, except for the initial application. Between mid-1996 and mid-2002 there were nearly 70.000 U.S. applications for CTMs – more than 25% of the total.

5. Cost is not the only advantage enjoyed by CTM holders. In addition to the practical benefits of a single application in a single language with a single administrative center, the CTM also provides a single enforcement mechanism. If the registered mark is used by another company for marketing similar goods and services the holder can take the infringing party to a CTM court and get a decision valid for the EU as a whole. This avoids the need to prosecute in each different country, in different languages and subject to different national laws. The CTM also makes it easier to fulfill the use or lose requirement for EU trademarks - you can maintain a CTM throughout the EU by using it in just one country.

### **When should companies opt for national trademark registration?**

6. Given the case for registering a CTM why do some businesses opt to register trademarks in individual EU countries? Cost can be a factor – if the company is targeting three EU markets or less then separate national registration is cheaper. Also if a CTM application is refused, or a registered CTM is revoked following a successful challenge, then national trademarks are the way forward.
7. Interestingly, the single nature of the CTM, which makes it advantageous on many counts, also makes it singly fallible. An application will be refused for the whole of the EU if the mark is already being used in any one Member State. Similarly, if a registered CTM is successfully challenged because of a competing claim in one EU country, it immediately becomes invalid in all others. The EU wide refusal or revocation risk need not dissuade businesses from starting first with a CTM registration. The application date will count as a priority date for subsequent national trademark registrations that can be triggered using the OHIM's conversion service. These can be made to separate national trademark offices or as part of an international registration scheme known as the Madrid Protocol.

### **International trademark applications through the Madrid Protocol**

8. The U.S. government's decision to join the Madrid Protocol will be implemented in November 2003. It will enable exporters to transform their U.S. registered trademarks into an international application through the services of the International Bureau of the World Intellectual Property Organisation (WIPO). The Bureau registers the mark and passes it on to the authorities in the Madrid Protocol member countries designated by the applicant. Trademark offices in these countries then have up to eighteen months to notify an eventual rejection of the application or let it stand. All the national marks registered through an international application will be revoked if the original U.S. trademark is successfully challenged within five years. While the Madrid Protocol system will greatly facilitate application procedures for national trademarks, these marks will still have to be defended according to national law, in national courts and in the local language.

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<sup>2</sup> The OHIM website (link 3) has a Directory of *approved agents*. A *legal practitioner* is any lawyer who is qualified to act in the EU as a representative in trademark matters

## Getting patent protection in the EU

9. EU countries have a first to file approach to patent applications, as opposed to the U.S.'s first to invent system. This makes early filing a top priority for innovative companies. Unfortunately it is not yet possible to file for a *single* EU-wide patent that would be administered and enforced like the Community Trademark (paragraph 4). The EU does not have a harmonised patent law so inventors need to get protection in each of their target markets.
10. However, various international treaties have been established to streamline the national patent application process. The European Patent Organisation offers a "European Patent" through its European Patent Office (EPO)<sup>3</sup>. While the application process is simplified and a good deal cheaper than going to individual patent offices, the European Patent is, in effect, a bundle of separate national patents that need to be validated, maintained and litigated separately in each country. US based companies can receive a priority filing date for a European Patent at the U.S. Patent and Trademark Office (PTO) as part of an international patent application through the WIPO-administered Patent Cooperation Treaty (PCT)<sup>4</sup>. They can also file direct with the EPO without going through the PTO as long as they have secured a foreign filing license.

### Single EU wide patent protection – available from 2006

11. In March 2003, and after many years of negotiation, the EU finally agreed to the introduction of a single, community-wide patent system. However, inventors will have to wait until at least 2006 before securing single patents valid throughout the EU. The Community Patent is expected to reduce by half the 50.000 euro it now costs to secure a typical eight country patent bundle. This Commission estimate includes filing fees, renewal fees, translation costs, agents' fees and so on, but does not cover any eventual litigation costs. The language issue, which had been one of the major obstacles to agreement, was resolved through a compromise that allows a patent application to be filed in one of the EU's working languages while the actual patent claim (estimated at 10% of total text) will still have to be translated into all official EU languages.

## The Registered Community Design

12. U.S. companies do not have to wait for a single pan European solution for protecting their designs – it already exists. Community design protection is directly enforceable in each EU Member State and provides for an unregistered and a Registered Community Design (RCD) right. The (RCD) lasts five years but can be renewed in blocks of five years up to a maximum of twenty-five. It gives the holder the exclusive right to use or license the design. The application process is simple and, and is managed by the same office that is responsible for the Community Trademark – the OHIM.
13. The RCD also enjoys some of the advantages of the CTM - a single application in a single language through a single administrative center. The fee for registering one design is around 350 euro for five years of protection from the date of filing. Companies can include several different designs in the same application and can choose to keep designs confidential for up to 30 months after registration. Unregistered designs protect a design for three years from the date the design was first made available to the public. They protect the design holder against deliberate copying. Registered designs are

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<sup>3</sup> The EPO is not an EU agency although the European Patent Convention's 27 members include the 15 Member States.

<sup>4</sup> PCT has over 115 Contracting States.

protected against copying *and* the independent development of similar signs. OHIM runs a design search tool in the registered community designs bulletin (Web Link 12)

## Conclusion

14. There are a number of options open to U.S. companies looking to protect their IP interests in the EU. For exporters looking at the whole EU market the Community Trademark and Registered Community Design are attractive options, even more so once ten new countries join the EU in 2004. While the Community Patent will not be available until 2006, the European Patent is a cheaper and simpler solution than individual applications with national patent offices. Securing protection for IP is one thing but the effectiveness of enforcement is also vital. The EU recognizes more needs to be done in this area and is now trying to adopt an enforcement Directive that will create a more level playing field across the EU for IP holders.
15. For further information or feedback please do not hesitate to contact the Foreign Commercial Service at the United States Mission to the European Union – [Brussels.ec.office.box@mail.doc.gov](mailto:Brussels.ec.office.box@mail.doc.gov). For further information on the services provided by the Commercial Service to the European Union please visit <http://www.buyusa.gov/europeanunion/>

## Web Links

- **General**
  - 1) United States Patent and Trademark Office  
<http://www.uspto.gov/>
  - 2) National Patent and Trademark Offices in the EU  
[http://www.intellectual-property.gov.uk/std/resources/trade\\_marks/offices\\_worldwide.htm](http://www.intellectual-property.gov.uk/std/resources/trade_marks/offices_worldwide.htm)
- **The Community Trademark**
  - 3) Office of Harmonization in the Internal Market - Alicante  
<http://oami.eu.int>
  - 4) FAQs on the Community Trademark  
<http://oami.eu.int/en/mark/marque/question.htm>
  - 5) Ten Good Reasons for Using the Community Trademark  
<http://oami.eu.int/en/mark/role/raisons.htm>
- **Patents**
  - 6) The Community Patent  
[http://europa.eu.int/comm/internal\\_market/en/indprop/patent/index.htm](http://europa.eu.int/comm/internal_market/en/indprop/patent/index.htm)
  - 7) European Patent – European Patent Office  
<http://www.european-patent-office.org/>
  - 8) Cost comparison between securing patents now and future CP  
[http://europa.eu.int/comm/internal\\_market/en/indprop/patent/docs/2003-03-patent-costs\\_en.pdf](http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/2003-03-patent-costs_en.pdf)
  - 9) Export America – article on Community Patent  
[www.trade.gov/exportamerica/technicaladvice/ta\\_Eupatent\\_0503.html](http://www.trade.gov/exportamerica/technicaladvice/ta_Eupatent_0503.html)
- **Registered Community Design (RCD)**
  - 10) FAQs on the RCD  
<http://oami.eu.int/en/design/faq.htm>
  - 11) Costs of RCD

[http://europa.eu.int/rapid/start/cgi/questen.ksh?p\\_action.gettxt=gt&doc=IP/02/1926\[0\]RAPID&lg=EN](http://europa.eu.int/rapid/start/cgi/questen.ksh?p_action.gettxt=gt&doc=IP/02/1926[0]RAPID&lg=EN)

12) OHIM Design Bulletin

<http://oami.eu.int/en/design/bull.htm>

### **International Registrations**

13) World Intellectual Property Organization's SME website

[www.wipo.org/sme/en/index.html](http://www.wipo.org/sme/en/index.html)

14) Patent Cooperation Treaty

<http://www.wipo.int/pct/en/index.html>

15) Madrid System for International Registration of Marks

<http://www.wipo.org/madrid/en/index.html>

16) Hague System for the International Deposition of Industrial Designs

<http://www.wipo.org/hague/en/index.html>

### **Other**

17) Proposed EU Directive on Enforcing IP rights

[http://europa.eu.int/comm/internal\\_market/en/indprop/piracy/index.htm](http://europa.eu.int/comm/internal_market/en/indprop/piracy/index.htm)

### **For More Information**

The U.S. Commercial Service at the U.S. Mission to the European Union is located at Boulevard du Regent 27, Brussels B-1000, Belgium, and can be contacted via e-mail at:

[brussels.ec.office.box@mail.doc.gov](mailto:brussels.ec.office.box@mail.doc.gov);

or visit our website: [www.buyusa.gov/europeanunion](http://www.buyusa.gov/europeanunion).

You can locate your nearest U.S. Export Assistance Center, as well as Commercial Service offices throughout Europe by visiting [www.buyusa.gov](http://www.buyusa.gov) and [www.buyusa.gov/europe](http://www.buyusa.gov/europe).

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